

narrative of other program revenue and outstanding obligations anticipated by the grantee in the remaining award period.

The General Assembly should revise N.C. Gen. Stat. § 143C-6-23(d) to require reporting on program performance measures that compare actual outputs and outcomes against the benchmarks established in contracts. Because the activities information submitted to the Grants Information Center does not ensure useful information across agencies and grantees, the current format should be modified to reflect performance measures. Performance measures established in grant contracts should comprise the substance of the activities and accomplishments information so that grant program monitors can compare data on outputs and identified outcomes against benchmarks set in contracts.

Performance reporting should be reviewed by the agency overseeing the grant on an ongoing basis. An annual performance report should be submitted to the Grants Information Center together with the cash-basis reporting discussed above. To facilitate consistency, the Office of State Budget and Management should provide a template for a performance measurement reporting structure on their website.

Recommendation 2. The North Carolina General Assembly should emphasize a competitive awards process and limit the number of grants awarded to legislatively named grantees.

When legislation names grantees, there may be scant statutory language to guide contracts, agency oversight, or performance measurement. The lack of competition for awards means that, in cases where there is more than one suitable non-profit provider, the funds may not go to the best grantee. Furthermore, oversight is compromised if the agency charged with oversight believes they lack authority to request and assess performance information. For these reasons, contracts should be awarded through a competitive awards process whenever possible.

According to the North Carolina Budget Manual, N.C. Gen. Stat. § 143C-6-21 directs grants of \$100,000 or less made through special appropriations be paid in a single annual payment. Based on the forms found in the Budget Manual, these payments are likely made in advance. Because disbursement in advance is not a best practice, this requirement further recommends against naming grantees in legislation.

In cases where the General Assembly chooses to name grantees in legislation, the language should specify expectations for outputs and outcomes. In addition, the General Assembly should authorize the responsible agency to name benchmarks in grant contracts and use them to oversee and assess grantee performance.